

Message Text

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C O N F I D E N T I A L MOSCOW 0791

USDOC FOR BEWT/USSR

E.O. 11652: GDS

TAGS: EIND, EEWT, ETRD, UR, US

SUBJECT: VISIT OF U.S. TECHNICIANS TO DZEROVSHAN GOLD MINE

1. ONE OF SIDE EFFECTS OF INCREASING SOVIET IMPORTS OF WESTERN MACHINERY AND EQUIPMENT HAS BEEN INCREASED ACCESS BY REPRESENTATIVES OF WESTERN FIRMS TO AREAS OF USSR WHICH PREVIOUSLY HAD NOT BEEN VISITED BY NON-SOVIETS, AT LEAST FOR MANY YEARS. THIS DEVELOPMENT HAS CLEARLY BEEN A PROBLEM FOR THE SOVIETS, AND THEIR HANDLING OF INDIVIDUAL CASES INDICATES THAT THEY MUST BALANCE SECURITY CONSIDERATIONS AGAINST ECONOMIC REQUIREMENT FOR ON-THE-SPOT ASSISTANCE BY WESTERN SPECIALISTS. OVER THE LONG RUN, EMBASSY BELIEVES THAT INCREASING ACCESS OF WESTERN BUSINESSMEN TO CLOSED AREAS IN USSR MAY SERVE TO ERODE SOVIET COMMITMENT TO CONTINUATION OF CLOSED-AREA POLICY.

2. INTERESTING CASE IN POINT IS CURRENT VISIT BY REPRESENTATIVES OF INTERNATIONAL HARVESTER AND CUMMINS ENGINE TO DZEROVSHAN GOLD MINE IN UZBEKISTAN, WHERE 10 INTERNATIONAL HARVESTER HOUGH "PAYLOADERS" ARE BEING USED. (THIS IS SECOND VISIT BY IH REPS TO DZEROVSHAN.) AS DESCRIBED BY IH REP ALBERT DAMSKY, VISITS BY COMPANY REPRESENTATIVES TO DZEROVSHAN HAVE BEEN APPROVED BY SOVIETS ONLY WITH GREAT RELUCTANCE AND IN VIEW

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OF FACT THAT GOLD MINING OPERATIONS WOULD BE ADVERSELY

AFFECTED WITHOUT ASSISTANCE OF COMPANY REPS. TRAVEL TO DZEROVSHAN INVOLVED FLIGHT TO SAMARKAND, FOUR-HOUR TRAIN RIDE FROM SAMARKAND TO NOVOY, MID-WAY BETWEEN SAMARKAND AND BUKHARA, FOLLOWED BY 30 MINUTE FLIGHT (VIA YAK-40) FROM NOVOY TO DZEROVSHAN. DAMSKY ADVISED COMMERCIAL ATTACHE THAT HE HAD ASKED SOVIETS AT TIME OF INITIAL VISIT WHY IT WAS IMPOSSIBLE TO FLY DIRECTLY FROM SAMARKAND TO DZEROVSHAN. SOVIETS SIMPLY SAID SUCH FLIGHT WAS "IMPOSSIBLE."

3. DAMSKY'S DESCRIPTION OF CONDITIONS AT DZEROVSHAN INDICATE VERY HIGH DEGREE OF SECURITY WITHIN MINING AREA. DAMSKY WAS NOT ENTIRELY SURE THAT CONVICT LABOR WAS BEING USED AT MINE, BUT HIS DESCRIPTION OF FENCED-IN STOCKADES WHERE WORKERS LIVE CERTAINLY INDICATES THAT THIS IS THE CASE. DAMSKY, WHO IS NOT MINING ENGINEER, SAID HE HAD NO WAY OF ESTIMATING OUTPUT OF DZEROVSHAN MINE. HOWEVER, COMMERCIAL OFFICE BELIEVES THAT SOVIET DECISION TO SEND 10 OF "PAYLOADERS" BROUGHT FROM IH TO DZEROVSHAN INDICATES THAT THIS MINE IS HIGH-PRIORITY ITEM. NEEDLESS TO SAY, SECURITY FOR IH REPS AT DZEROVSHAN WAS VERY TIGHT. NO PHOTOGRAPHY WAS ALLOWED IN MINE AREA, AND SOVIETS IN CHARGE OF MINE WERE CLEARLY VERY NERVOUS TO HAVE AMERICAN TECHNICIANS ON THE SITE. COMMERCIAL OFFICE HOPES TO HAVE OPPORTUNITY TO MEET WITH DAMSKY AND CUMMINS REP ON THEIR RETURN TO MOSCOW ON/ABOUT FEBRUARY 1.

4. COMMENT: INCREASING FLOW OF WESTERN EQUIPMENT INTO USSR IS CLEARLY HAVING IMPACT ON TRADITIONAL SOVIET TRAVEL CONTROLS. DURING RECENT MONTHS, COMMERCIAL OFFICE HAS NOTED VISITS BY U.S. COMPANY REPRESENTATIVES TO SPOTS SUCH AS PECHENGA, SUSMAN, NIZHNIY TAGIL, AND NOW TO DZEROVSHAN. WE ASSUME THAT NUMEROUS U.S. COMPANY REPRESENTATIVES WHO VISIT CLOSED AREAS IN USSR DO NOT CHECK IN WITH COMMERCIAL OFFICE AND THAT REPRESENTATIVES OF WESTERN EUROPEAN AND JAPANESE COMPANIES ARE MAKING SIMILAR TRIPS. ALTHOUGH WE ANTICIPATE NO SHORT-TERM CHANGES IN SOVIET TRAVEL CONTROLS AS RESULT OF THESE VISITS, WE BELIEVE THAT SOVIET WILLINGNESS TO SACRIFICE THEIR SECURITY CONCERNS, AT LEAST IN SOME INSTANCES, TO ECONOMIC IMPERATIVES IS MODERATELY ENCOURAGING SIGN.

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